

September 1, 2010

Mr. Mark Cowin, Director
California Department of Water Resources
P.O. Box 942836
Sacramento, CA 94236


Dear Mr. Cowin:

We, the undersigned members of the Urban Stakeholder Committee (USC) wish to extend our sincere appreciation in acknowledging the significant efforts and professionalism of Department of Water Resources staff in developing technical methodologies for implementation of SBX7 7. With DWR leadership, the USC, comprising a broad mix of stakeholders, reached agreement in resolving a number of issues in development of the methodologies. However, following the USC meeting on August 26, 2010, a significant issue remains.

We agree with the approach presented by staff in the revised draft (August 24, 2010) of *Urban Water Use Target Technical Methodologies, Methodology 3: Base Daily Per Capita Water Use*, which provides for a water supplier to change the method of target setting in its 2015 urban water management plan after initially specifying a method in 2011. Staff indicated that they will seek a determination on this issue from DWR management and legal counsel. We urge DWR to also consider that there may be a variety of circumstances under which a specific water supplier may seek DWR concurrence in changing the compliance methodology after 2015.

The flexibility to make a change in the method by which an urban retail water supplier will comply with SBX7 7 is important to the water purveyor community. Passage of the legislation in 2009 created an important new paradigm in water conservation, whereby water conservation would be mandatory rather than voluntary, and where compliance is measured by meeting quantitative water use targets. With this new paradigm comes some uncertainty for water suppliers in selecting the method by which they will set their water use target and the activities through which they will actually achieve the required water savings. In fact, DWR reserves the right to require an agency to change their baseline and target based on the results of the 2010 census. This uncertainty is further magnified by the fact that the full range of available methods under SBX7 7, including a fourth option still in development through the USC, will not be known until later this year. As a result, water purveyors have limited time to evaluate and select a methodology prior to the July 1, 2011 deadline for submitting their updated urban water management plans to DWR.

The ability to revise the target setting methodology will allow water suppliers to learn from their implementation efforts, while still fully complying with SBX7 7 in 2020. For example, very few water suppliers currently have the necessary data to select the second option for target setting (Water Code Section 10608.20(b)(2)) due to a lack of access to GIS technology needed to accurately determine landscape area. However, improvements in technology will considerably increase access to the needed data and tools in the future. Additionally, the outcome of the CII task force, scheduled to report to the legislature in 2012, could have implications for compliance with SBX7 7. The ability to change target setting methods and take advantage of new information will promote advances in a water supplier's knowledge of the water use characteristics of its service area.

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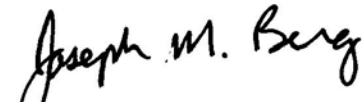
The law does not prohibit DWR from providing needed flexibility for agencies to change their target methodology. In fact, much of the law is founded on the concept of an evolution and adjustment over the course of the next decade and beyond. The interim 2015 target represents a midpoint check-in and the 2016 report to the legislature recognizes that we cannot accurately predict the outcome of this law at the outset. We urge you to provide water suppliers with the flexibility to change the target setting methodology for compliance with SBX7 7 in subsequent urban water management plans after 2011.

If you have any questions on this proposal, please contact John Woodling at (916) 967-7692. Thank you for your consideration of this important issue.

Sincerely,



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Regional Water Authority



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Municipal Water District of Orange County



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San Diego County Water Authority




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Kennedy/Jenks Consultants



Fiona Sanchez
Irvine Ranch Water District



Jack Hawks
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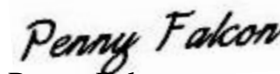
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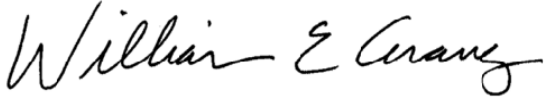
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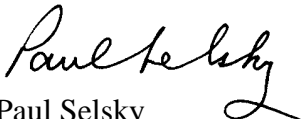
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cc: David Sandino, DWR Chief Counsel
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